

Item# _____

Prepared by: Cindy Kirkland
Roads and Bridges

Approved by : _____
County

Attorney _____

RESOLUTION APPROVING THE EXPENDITURE OF FUNDS BY SHELBY COUNTY GOVERNMENT TO AVPOL INTERNATIONAL, LLC FOR THE PURCHASE OF GASOLINE AND DIESEL FUEL IN THE APPROXIMATE AMOUNT OF \$2,130,690.00 AND THIS ITEM REQUIRES THE EXPENDITURE OF STATE GAS TAX FUNDS IN THE AMOUNT OF \$1,130,690.00, AND EXPENDITURE OF GENERAL FUNDS IN AN AMOUNT OF UP TO \$1,000,000.00. SPONSORED BY COMMISSIONER WYATT BUNKER.

WHEREAS, Shelby County, through Fleet Services, currently operates two fuel service stations for Shelby County Government; and

WHEREAS, The Shelby County Sheriff's Department desires to purchase gasoline and diesel from Fleet services to supply its needs, and

WHEREAS, Fuel availability is critical for routine services and to many Shelby County Departments and agencies which are involved in service delivery during times of emergencies; and

WHEREAS, The County historically uses approximately 175,000 gallons of fuel per month for said services, thus creating a need to purchase gasoline and diesel fuel for the various departments; and

WHEREAS, Shelby County formerly operated from the City of Memphis petroleum contract; and

WHEREAS, In, December 2008, Memphis rebid the contract and Shelby County was unable to meet the terms of their new vendor thus requiring Shelby County to seek a new vendor; and

WHEREAS, Sealed bids were requested and received December 12, 2008, with the lowest and the best bid meeting specifications being submitted by AVPOL International, LLC in the total estimated annual amount of \$2,130,690.00; and

WHEREAS, The period of award is from the date of the award through June 30, 2009 with the option to renew for two (2) additional one (1) year periods; and

WHEREAS, Funds are appropriated from the FY 2008-2009 O & M account number 071-301902-6060 Roads and Bridges Department-Fleet Services, Petroleum Products under the former contract.

WHEREAS, Funds are appropriated from the FY 2008-2009 O & M account number 031-610202-6060 Shelby County Sheriff's Department, Petroleum Products under the former contract.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF SHELBY COUNTY, TENNESSEE, That the expenditure of funds to AVOL International, LLC for a total of \$2,130,690.00 for the purchase of gasoline and diesel fuel is hereby approved.

BE IT FURTHER RESOLVED, That the Purchasing Department is authorized to issue purchases orders for the purchase of gasoline and diesel fuel from the FY 2008-2009 O & M account number 071-301902-6060 Roads and Bridges Department-Fleet Services and FY 2008-2009 O & M account number 031-610202-6060 Shelby County Sheriffs Department, Petroleum Products, subject to availability of funds at the time of purchase order is issued.

BE IT FURTHER RESOLVED, That the additional renewals for the purchase of gasoline and diesel fuel with AVPOL, International, LLC, are hereby approved subject to the annual appropriation of funds for each renewal term's corresponding Fiscal Operating Year by Shelby County Government. In the event sufficient funds for said Amendments are not appropriated by the Board of Commissioners for the fiscal periods relating to any new renewal term, then the Amendment will be terminated.

BE IT FURTHER RESOLVED, That the County Mayor is hereby authorized to execute any and all documents necessary for the completion of this purchase.

BE IT FURTHER RESOLVED, That the County Mayor and the Director of Administration and Finance are authorized to issue their warrant(s) to AVPOL International, LLC not to exceed a total of \$2,130,690.00, for the purpose contained in this resolution and to take proper credit in their accounting therefor.

A C Wharton, Jr., County
Mayor

Date: _____

ATTEST: _____

Clerk of County Commission

ADOPTED: _____

SUMMARY SHEET

I. Description of Item

The Shelby County Roads and Bridges Department has a need to purchase fuel. The fleet Services Section currently operates two fuel service stations for Shelby County Government, one located on Haley Road at the Shelby County Correction Center and one located on Alabama Avenue in downtown Memphis. Fuel availability is critical for routine services and to many Shelby County Departments and agencies who are involved in service delivery during times of emergencies. The county historically uses approximately 175,000 gallons of fuel per month.

For the past two years Shelby County Roads and Bridges Department piggybacked on the City of Memphis petroleum contract. However, Memphis rebid their contract in December, 2008 and selected a new vendor. Shelby County was unable to meet the terms of their new vendor requiring payment within 10 days; therefore, Shelby County had to seek a new vendor for our petroleum needs.

The Shelby County Purchasing Department processed a sealed bid for this product and bids were received December 12, 2008 for the purpose of supplying the Shelby County Fleet Services and Sheriff's Department with its requirements for "Gasoline and Diesel Fuel".

The lowest and best bidder appeared to be Trumann Arnold Companies. However, with reference to Ordinance 324 regarding the Locally Owned Small Business program, a 2% preference is allowed for contracts that exceed \$1,000,000.00. Therefore, it is recommended the bid be awarded in its entirety to AVPOL International, LLC, an LOSB Vendor, since the bid variance is within 2% of the actual low bidder. Please note terms of payment are net 30 days instead of net 10 days which is standard on most fuel contracts. Pricing will vary daily as per the OPIS petroleum index to escalate or de-escalate.

AVPOL was the new vendor selected through the bid process to provide fuel from December, 2008 through June, 2009 with the option to renew for two (2) additional one (1) year periods (July 1, 2009 through June 30, 2010 and July 1, 2010 through June 30, 2011).. The bid award for \$2,130,690.00 covers the FY 2008-2009 year at the estimated quantity of 175,000 gallons monthly.

Until this resolution is approved, funds remain available for the purchase of fuel throughout Shelby County in the Fleet Services budget with our current vendor.

II. Source and Amount of Funding

A. Amount Expended/Budget Line Item

\$1,130,690.00 from State Gasoline Tax funds
\$1,000,000.00 from General Fund for Sheriff's Department

B. All Costs (Direct/Indirect)

Direct costs as stated above; no indirect costs.

C. Additional or Subsequent Obligations or Expenses of Shelby County

None

III. Contract Items

Not Applicable

IV. Additional Information Relevant to Approval of this Item

Administration recommends approval of this item.